

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

October 13, 2004

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and two (2) copies of a Memorandum of Lease Agreement, dated September 13, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease which was duly filed with the Board on this date as Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Canadian Pacific Railway Company
401 9th Ave SW, 5th Floor
Calgary, Alberta T2P 4Z4
Canada

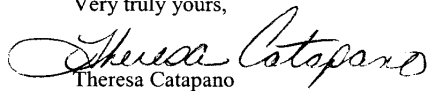
A description of the railroad equipment covered by the enclosed document is fifty-seven (57) 286,000 GRL, 52'6" interior length, 5'6" sides, mill gondolas, cars marked NOKL (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5375. Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures

(CP059)

VIA UPS 2ND DAY AIR

RECORDATION NO.

25245-H

FILED

OCT 15 '04

4-30 PM

SURFACE TRANSPORTATION BOARD



RECORDATION NO. 25245-14 FILED

ASSIGN. NO. CP059

OCT 15 '04 4-30 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 13th day of September, 2004, by and between the Montreal branch of FIRST UNION RAIL CORPORATION (the "Lessor"), a North Carolina corporation, and CANADIAN PACIFIC RAILWAY COMPANY, (the "Lessee"), a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease") dated as of February 4, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 13 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of May 1, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

NAME: Susan Barrie

TITLE: Regional Vice President, Sales

SIGNATURE: Susan Barrie

PROVINCE OF QUEBEC

DISTRICT OF MONTREAL

I, Gordon Hopkins, a Commissioner of Oaths of the Province and District aforesaid, certify that Susan A. Barrie personally appeared before me this day and acknowledged her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of September, 2004.

Gordon Hopkins
Commissioner of Oaths

My Commission expires:

21/03/2006



LESSEE:

CANADIAN PACIFIC RAILWAY COMPANY

NAME: Donald B. Campbell
VP Business Planning & Development
TITLE: Canadian Pacific Railway

SIGNATURE: DB Campbell

PROVINCE OF Alberta

CITY
DISTRICT OF Calgary

I, Don Barnhardt, a Commissioner of Oaths of the Province
and District aforesaid, certify that Don Campbell personally appeared before me
this day and acknowledged his/her execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 1th day of September, 2004.

D. Barnhardt
Commissioner of Oaths

My Commission expires:

DON BARNHARDT
Barrister and Solicitor
Suite 920, 401 - 9th Avenue SW
Calgary, AB T2P 4Z4
Telephone: 319-6183

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Fifty-seven (57).

DESCRIPTION OF CARS: 286,000 GRL, 52'6" interior length, 5'6" sides, mill gondolas, suitable for scrap metal service.

CAR NUMBERS: See below:

NOKL 322115	NOKL 322216	NOKL 322256
NOKL 322125	NOKL 322219	NOKL 322257
NOKL 322134	NOKL 322221	NOKL 322262
NOKL 322149	NOKL 322223	NOKL 322265
NOKL 322164	NOKL 322224	NOKL 322268
NOKL 322174	NOKL 322226	NOKL 322273
NOKL 322175	NOKL 322227	NOKL 322278
NOKL 322176	NOKL 322229	NOKL 322279
NOKL 322177	NOKL 322230	NOKL 322281
NOKL 322182	NOKL 322233	NOKL 322284
NOKL 322186	NOKL 322234	NOKL 322288
NOKL 322187	NOKL 322237	NOKL 322289
NOKL 322188	NOKL 322239	NOKL 322290
NOKL 322191	NOKL 322240	NOKL 322291
NOKL 322195	NOKL 322241	NOKL 322292
NOKL 322196	NOKL 322243	NOKL 322293
NOKL 322198	NOKL 322249	NOKL 322296
NOKL 322202	NOKL 322250	Count: 57
NOKL 322207	NOKL 322252	
NOKL 322209	NOKL 322255	